

Hong Kong & Mainland China News – November-2014

Guangdong gives HK's service sector free access

By rthk.hk

Thursday, November 06, 2014

Guangdong has agreed to give free market access to Hong Kong's service sector by the end of the year.

This was announced on Thursday by the Chief Executive, C Y Leung, in Guangzhou where he attended a meeting of the Hong Kong Guangdong Cooperation Joint Conference together with the leaders of the province.

Mr Leung said with the support of the central government, Guangdong and Hong Kong will work towards free access for the service sector.

He said the agreement meant that trade restrictions will be removed to make it easier for Hong Kong businesses in the sector to enter the Guangdong market as a stepping stone to the rest of the mainland.

Guangdong governor, Zhu Xiaodan, also said he was confident that within a year, 95 percent of the province's market would become open to Hong Kong's service sector.

He said the "basic liberalisation of the services trade was a token of sincerity on the part of the Guangdong government" and it was something the central government had demanded.

The officials said the financial industry, the legal sector, as well as the tourism trade would stand to benefit.

There will also be greater integration between the the education and medical sectors of Hong Kong and Guangdong, and deeper cooperation in environmental protection.

Speaking ahead of the meeting, Mr Leung said he had made new proposals to the central government in a bid to strengthen ties with Guangdong under the Closer Economic Partnership Arrangement (CEPA).

He said he will continue discussions with the Ministry of Commerce, adding that he hoped the Guangdong authorities will cooperate with Hong Kong to achieve mutual benefit.

Mr Leung also said that Guangdong's "super fast" economic growth was something Hong Kong depended upon, adding that he envies the province's seven percent economic growth rate.

Free trade zone talks ramp up

By news.gov.hk

Friday, November 07, 2014

The Government looks forward to progress in encouraging free trade with other Asian countries, Secretary for Commerce & Economic Development Gregory So says.

Speaking to the media before attending the 26th Asia-Pacific Economic Cooperation Ministerial Meeting in Beijing today, Mr So said he is pleased there will be discussions on economic and trade co-operation, including setting up an Asia Pacific free trade zone, during the Senior Officials' Meeting in APEC this week.

The zone's roadmap, which APEC members agreed to in previous meetings, is constructive, helping economies build capacity and conduct trade in an efficient and effective manner, he said.

He believes the planned Asia Pacific free trade zone will link together economies in the region.

Mr So added that he discussed economic and trade co-operation in a meeting with Minister of Commerce Gao Hucheng in Beijing this morning.

CE welcomes Stock Connect launch

By news.gov.hk

Monday, November 10, 2014

Chief Executive CY Leung has welcomed the launching of the Shanghai-Hong Kong Stock Connect.

The China Securities Regulatory Commission and the Securities & Futures Commission announced today the approval for the pilot programme to start trading on November 17.

Mr Leung expressed his sincere thanks to the state leaders and the Central Government for trusting and supporting Hong Kong.

The chief executive wished the Shanghai-Hong Kong Stock Connect a smooth implementation, and believes that Hong Kong's financial market could make a greater contribution to the reform and opening up of the country, as well as to the stability and prosperity of Hong Kong.

The Hong Kong Monetary Authority also welcomed the announcement today. Its Chief Executive Norman Chan noted that it marks an important milestone in the liberalisation of the Mainland's capital account.

He added that the linking of the Hong Kong and Shanghai stock markets will also propel the development of offshore renminbi business in Hong Kong to new heights.

RMB conversion limit removed

By news.gov.hk

Wednesday, November 12, 2014

The daily RMB20,000 cap on conversion limits for Hong Kong residents will no longer apply from November 17.

Monetary Authority Chief Executive Norman Chan told the media today that under the new arrangements, banks will square the positions arising from RMB conversion conducted with Hong Kong residents in offshore markets instead of onshore markets.

As a result, the prevailing conversion and other restrictions for onshore conversion will no longer be applicable.

He said he hopes the removal of the conversion limits will bring more convenience for local residents to participate in the Shanghai-Hong Kong Stock Connect and other RMB financial transactions. Residents can buy or sell RMB more freely.

He believes Hong Kong's liquidity pool, at 1.1 trillion yuan, is large enough to cater for residents' additional needs for RMB conversion transactions.

The new arrangement will also facilitate the launch of RMB investment products by financial institutions in Hong Kong and raise its position as an offshore RMB business centre, he added.

The authority has issued a circular to banks setting out the detailed arrangements.

HK-US tax agreement signed

By news.gov.hk

Thursday, November 13, 2014

Hong Kong and the US today signed an inter-governmental agreement that will facilitate conformance with the US Foreign Account Tax Compliance Act by Hong Kong financial institutions.

Under the agreement, these institutions must report the account information of American taxpayers to the US Internal Revenue Service directly.

Reports will be issued from March.

The act is an anti-tax evasion regime to detect taxpayers who use accounts with non-US financial institutions to conceal income and assets from the Internal Revenue Service.

China and Australia sign free-trade pact

By rthk.hk

Tuesday, November 18, 2014

President Xi Jinping on Monday signed the framework of a historic free trade agreement with the Prime Minister of Australia, Tony Abbott.

The landmark deal, which came after a decade of negotiations, will gradually open up markets worth billions of dollars.

The deal will lower tariffs for Australian farmers, winemakers and several services companies.

China will face less scrutiny on investments in Australia.

The pact was signed in Canberra following a meeting of G-20 leaders in Brisbane over the weekend and coincided with a state visit to Australia by Mr Xi.

Beijing plans to sign free trade pact with Seoul

By rthk.hk

Tuesday, November 18, 2014

China aims to sign a free trade agreement (FTA) with South Korea next year, a senior official said on Monday, after most of the negotiations were completed.

The two countries announced on the sidelines of an Asia-Pacific summit in Beijing last week that they had effectively secured a pact that will remove tariffs on more than 90 percent of goods.

But some details have yet to be finalised, they said.

"The two sides next will hold working-level talks on a few technical issues and complete all negotiations within this year," Wang Shouwen, a Chinese assistant commerce minister, told reporters at a briefing on Monday.

"(We) will strive to sign an agreement as soon as possible next year," he said, adding the deal was expected to take effect from the second half of 2015.

The FTA would remove tariffs on 92 percent of Chinese goods exported to South Korea and 91 percent of South Korean goods imported by China within 20 years, according to a previous announcement by Seoul.

China is currently South Korea's biggest trading partner and export market, and two-way trade stood at around US\$228.8 billion last year according to South Korean trade figures.

HK free trade regime commended

By news.gov.hk

Friday, November 21, 2014

The World Trade Organisation has again commended Hong Kong for its open and free trade policies at a trade policy review meeting in Geneva.

Deputy Secretary for Commerce & Economic Development Carol Yuen said the city is encouraged by the WTO's commendation, and Hong Kong's active and constructive role in strengthening the WTO and the multilateral trading system.

The city is also pleased with the organisation's recognition of its efforts in the further liberalisation of its trade and investment regime, its work in enacting the Competition Ordinance and the enhanced protection of intellectual property rights.

The city will continue to play an active and constructive role in strengthening the WTO and the multilateral trading system, she added.

In her concluding remarks, the WTO Trade Policy Review Body Chairperson Mariam Salleh praised Hong Kong for being one of the most liberal and market-friendly economies, characterised by a sound legal system and transparent regulatory settings. She also highlighted the city's exemplary achievements that illustrate how an open trade and investment regime is crucial in harnessing the benefits of global integration.

The review covered a range of Hong Kong's trade objectives, policies and practices, including trade in goods and services, the general economic environment in Hong Kong, and its deepening trade relationships with the Mainland and other trading partners.